

**DEPARTMENT OF GENERAL SERVICES  
OFFICE OF PUBLIC SCHOOL CONSTRUCTION**501 J STREET, SUITE 400  
SACRAMENTO, CA 95814<http://www.dgs.ca.gov/opsc>

July 12, 1996

To : All School District Superintendents and County Superintendents of Schools

Subject : **ADVISORY OF ACTIONS TAKEN BY THE STATE ALLOCATION BOARD**

On June 26, 1996 the State Allocation Board (SAB) allocated additional Phase P, Phase C and air conditioning funds for certain projects and addressed the distribution of the balance of funds available from Proposition 203. Specific actions taken by the SAB are as follows:

Construction and Air Conditioning Apportionments on Consent Calendar

The SAB apportioned funds in the amount of approximately \$66 million for either a Phase P or C for those project that lost Year Round Enrollment (YRE) status but were otherwise included on the May 1, 1996, "unfunded" list. In the future, districts will not lose YRE status for a project once it has received a Phase C "zero" approval. Additional apportionments of approximately \$26.6 million were made for projects that qualified for air conditioning funds as of May 1, 1996. Those districts that received an apportionment will be notified by the Office of Public School Construction (OPSC) of the specific action taken by the SAB. Information regarding apportionments for each district may also be obtained on the Internet on the OPSC Web Page at: <http://www.dgs.ca.gov/opsc/funded6.htm>. Additionally, districts are advised to review the recommendations included on the actual agenda items that relate to the apportionment of funds and bidding instructions.

Seismic Structural Improvement Policy

The SAB took action to use the existing Seismic Structural Improvement policy approved on January 27, 1993, to allocate Proposition 203 funds available for the specific purpose of addressing seismic structural improvements necessary to avert future earthquake damages. This policy allows necessary seismic structural work to be included in a modernization project under specific conditions. The SAB did not set aside funds for this purpose but directed that all projects approved under this policy would receive funding in accordance with funding priority that was assigned to the modernization project.

Please note that other provisions of Proposition 203 provide that up to \$100 million of that Bond Act may be used for seismic retrofit projects of existing structures not necessarily associated with a modernization project. This provision is deemed to be a separate program for which guidelines may be developed for consideration by the SAB at a future date.

Educational Technology

The SAB took no action on a proposal to increase the Educational Technology (ET) allowance for *modernization* projects to a full five percent of current replacement value of the facility. Direction was given for the OPSC to develop an ET policy that addresses not only facilities to be modernized but also those facilities not yet eligible for modernization (i.e. not yet 30 years old). A policy on ET will be presented to the SAB for consideration at the September SAB meeting. Districts that received a construction apportionment for a modernization project are advised to continue with the project using the current ET allowance as there is no guarantee that the SAB will

increase the allowance for ET purposes in sufficient time for the project architect to revise the plans and specifications and still meet the SAB time limit policy.

Districts and County Superintendents

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### Asbestos Abatement

The SAB took no action on a proposal to provide an additional allowance for asbestos abatement necessary as a result of a modernization project. Direction was given to the OPSC to develop a policy regarding asbestos abatement for presentation to the SAB at the September SAB meeting. Districts are advised that if asbestos abatement is necessary as a result of a modernization project, the current policy allows that up to ten percent of the project modernization allowance may be used for this purpose. Additionally, the asbestos abatement work may be funded through the Deferred Maintenance Program with the basic apportionment provided.

### Reimbursement Policy Waiver

As you are aware, the current SAB reimbursement policy requires that at least a Phase C "zero" apportionment be approved by the SAB prior to the commitment of the construction expenditure (i.e. signing of the construction contract) for the project. Action was taken to modify that policy and waive the Phase C "zero" approval requirement subject to the following conditions:

1. The project is a construction or modernization priority one project.
2. The project has a Phase P approval no later than December 1, 1996, but prior to a construction commitment.
3. The DSA approved plans are dated no later than May 1, 1996.

The SAB also directed the OPSC to begin processing priority one new construction and modernization projects (all phases) for actual apportionment by the SAB commencing with the meeting scheduled for July 24, 1996. Districts were previously advised that the OPSC staff would be focused on the distribution of the Proposition 203 funds and would address only those appeal requests that were deemed to be a health and/or safety issue. As a result of this SAB action, the OPSC staff will be redirected to begin the application phase approvals for all priority one projects and will continue to address the release of Proposition 203 funds and appeals. Additionally, the OPSC will recommend apportionments at the July 24, 1996, SAB meeting for those priority one projects that were included, not approved, on the consent calendar at the May 29, 1996, meeting.

### Senate Bill (SB) 291 (Continued Use)

The SAB approved the implementation policy for the provisions of SB 291 which essentially provides an automatic extension of a continued use waiver for non-conforming relocatable structures until September 30, 1997, subject to certain conditions. Approval by the SAB of the continued use of a non-conforming relocatable does not grant exclusion from chargeability under the Lease-Purchase Program. In order for a non-conforming structure to be deemed non-chargeable under the Lease-Purchase Program, the district must comply with the SAB Abandonment Policy.

The policy also allows certain Housing and Community Development (HCD) classrooms that bear a commercial coach insignia to be used as classrooms provided the classrooms meet the provisions of Education Code Section 39141.11 and the district obtains a certification from the DSA that all requirements of the law have been met. Relocatable buildings that bear an HCD insignia are not considered chargeable area under the Lease-Purchase Program.

State Relocatable Program

The SAB reserved \$14.8 million for the purchase of 400 new relocatable classrooms and \$6.8 million for the relocation of existing classrooms to new sites. Authorization was also given to provide a maximum allowance to the district for the purchase of furniture and equipment, electrical connections, fire alarm, architect fee, inspection and the DSA fee. The allowance will be provided to the district for each building once the district certifies the amount expended and that the building installation and the purchase of the furniture and equipment has been completed. The district will then be reimbursed for the amount expended or the allowance whichever is less.

Minority/Women and Disabled Veteran Business Enterprise Provisions

Although the SAB did not address the Minority/Women Business Enterprise regulations at the June 26th meeting, districts are advised that only the Disabled Veteran Business Enterprise (DVBE) provisions are required for any contract awarded after March 13, 1996. The OPSC has developed an interim DVBE package that may be included in your bid documents. The DVBE package is available by contacting the OPSC Publications Team at (916) 322-4774.

Time Limits on Apportionments

Although this issue was not discussed at the SAB meeting on June 26th, I would like to take this opportunity to address an issue regarding the SAB time limit policy. At the SAB meeting on May 29, 1996, action was taken to extend the time limit policy from 180 days to 365 days for districts to start construction on projects. If the construction does not start within 365 days from the date of the construction apportionment, that apportionment will automatically be scheduled for rescission at the next available SAB meeting. Start of construction is deemed to be the date the "Notice to Proceed" is issued for the project. There has been some confusion as to what contract represents the "Notice to Proceed". In many cases, districts start the construction phase with a separate service site contract or begin the actual construction of the buildings in increments. For purposes of the time limit policy, a "Notice to Proceed" must be issued for all the building area in project within the 365 day time limitation. This means that if a district intends to complete the project in increments the "Notice to Proceed" for the final increment must be issued within one year from the date of the construction apportionment.

I would like to thank you for your patience and understanding which has allowed my staff to focus its attention on expeditious processing of the Proposition 203 funds. As a result, we will be presenting approximately 40 bids to the SAB for approval at the meeting scheduled for July 24, 1996. Additionally, a review of all files has been made to insure that planning funds are released to the districts as timely as possible.

For your convenience, copies of the applicable agenda items regarding the issues noted above are enclosed. Should you have questions regarding the content of this letter, please direct your calls to your project manager.

Sincerely,

OSCAR WRIGHT  
Executive Officer

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Enclosures